

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7368**

**BILL NUMBER:** SB 432

**NOTE PREPARED:** Feb 25, 2005

**BILL AMENDED:** Feb 24, 2005

**SUBJECT:** Moratorium on Comprehensive Care Beds.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill imposes a moratorium on the construction or addition of: comprehensive care beds through June 30, 2006. The bill requires the Office of the Secretary of Family and Social Services to develop a plan concerning specified issues relating to long-term care and Medicaid costs and submit the plan to the Legislative Council.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** (Revised) The State Department of Health reported that the administration of a moratorium on the construction or addition of nursing facility beds or facilities could be accomplished within the existing budget parameters. The bill also prohibits the Indiana Health Facilities Council from certifying new or converted comprehensive care beds for participation in the Medicaid or Medicare reimbursement programs through June 30, 2006. The Department would likely hold applications for new licenses and Medicaid or Medicare certifications for affected facilities until the expiration of the moratorium on June 30, 2006.

The bill also requires the Office of the Secretary to Develop a long-term care services plan that makes recommendations concerning the number of nursing facility beds that the state currently needs and what the future need will be. The bill requires among other items that the plan include a long-term care budget for the state. The Office is to develop the required components and report the results to the Legislative Council by December 1, 2005. FSSA reports that this requirement can be accomplished within the existing level of resources.

*Background:* Medicaid certified bed occupancy rates by county are compiled and calculated by the Office of Medicaid Policy and Planning. These statistics can be found at: <http://www.in.gov/fssa/statistics/index.html>. The State Department of Health currently produces the “Long Term Care County Statistical Profile and Bed Needs Assessment” annually as required by I.C.16-30-2(d). This document can be found at: <http://www.in.gov/isdh/regsvcs/acc/lcstats/2003.htm>.

**Explanation of State Revenues:** (Revised) Depending on the number of applications held, fee revenues would not be collected for any new beds or facilities during the two-year moratorium. A nursing facility pays a \$200 fee for the first 50 additional beds and \$10.00 for each bed in excess of 50. This bill does not affect the renewal of existing licenses.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Health; Family and Social Services Administration, Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:** Zach Cattell, Legislative Liaison for the State Department of Health, 317-233-2170; and 414 IAC 1-1-2.

**Fiscal Analyst:** Kathy Norris, 317-234-1360.